

Californians for Renewable Energy, Inc. (CARE)

821 Lakeknoll Dr.
Sunnyvale, CA 94089

STATE OF CALIFORNIA State Energy Resources Conservation and Development Commission

In the Matter of:)	
)	Docket No. 98-AFC-1C
Application for Certification for the)	
Los Medonas Power Plant 98-AFC-1C)	
_____)	

CARE requests to be notified of the Commission's decision in regards to a new Application for Certification for the Los Medanos Energy Center in Pittsburg California. It is CARE's understanding that projects that generates in excess of 50 MW is regulated by the Commission and subject therefore to the AFC process. CARE has been unable to determine the exact increase in generation capacity based on the information provided by the applicant Calpine/Bechtel. CARE has been able to determine that at least 60 MW of increased capacity will result from the proposed facility design changes based on statements as reported by the press in *Calpine asks for laxer smog limits Says change won't hurt public* (see attachment 1) from the manager of the Los Medanos project.

"Los Medanos Project Manager Mike Sommer described the proposed changes at the plant as being more complex than just an increase in net output.

He said the USS/POSCO steel plant in Pittsburg will take about 60 megawatts of Los Medanos power directly, leaving only about 440 to send to the statewide power grid. With the duct burners Calpine is seeking to add, Sommer said, "we can bring that up almost to 500 (megawatts)."

With the limited information provided it appears that the changes being proposed by the applicant will require a new AFC.

In a letter from CARE member Joe P. Hawkins, dated 6-18-00 and titled *Evidence to be Presented*, Mr. Hawkins raises numerous concerns for potential effects from the proposed project on disparately impacted environmental justice populations. CARE concurs with Mr. Hawkins assertions that a new AFC be prepared on the proposed changes to the Los Medanos Energy Center. Failure to do so will be interpreted as a discriminatory act, by CARE, against these target populations. Further, this action will demonstrate intent on the part of the Commission to discriminate, as you are fully informed of these matters, and have a fiduciary responsibility to protect these populations from disparate impacts. As you are aware the California Energy Commission is the subject of a complaint with the US EPA Office of Civil Rights (Case#2R-00-R9) for certification of the AFC for the Los Medanos Energy Center as well as the Delta Energy Center filed on 4-16-00. CARE summarizes this complaint as follows:

"Low-income children and minority populations in the community of Pittsburg Contra Costa County California already experience disparate impacts from criteria air pollutants in comparison to surrounding counties. These two projects will further inflict disparate impacts from criteria pollutants in the form of particulate matter, NOx, and Toxic Air Contaminants (TACs). Contra Costa County low income and minority populations already suffer elevated levels of occurrences of asthma, and breast cancer, along with increased human mortality attributable to particulate matter exposure. The community of Pittsburg's low-income children and minority populations experience these affects disparately in comparison to non-minority non-low income populations within Contra Costa County and in the surrounding counties.

No mitigation for impacts from these projects will be received by the Pittsburg Unified

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School District to mitigate the affects that school children, predominantly low income and minority, will experience as a result of these projects. The remedy we seek is to prohibit the development of these projects without local mitigation and local emission offsets. We seek the recognition by the CEC, BAAQMD, and CARB of their responsibility to identify disparately impacted low income and minority populations like Pittsburg's, and provide for appropriate mitigation and alternatives pursuant to Federal law, and we seek the requirement that this be made part of their certified regulatory programs."

CARE contends that the permitting of further air emission by the Los Medanos Energy Center will expose environmental justice populations to additional disparate impacts without specific mitigation for these impacts.

CARE contends that the proposed changes are an issue of significant public controversy with the original supporters of the project as reported by the press in *Neighbors oppose plant expansion* (see attachment 2).

"The Central Addition residents said they thought they had a deal with the plant's original builder, Enron, when they supported the original plans.

Resident Cecilia Blackwood, who has served on the city's power plant advisory committee since the project began in 1998, said the flow of information has been cut off since Calpine bought the project from Enron in 1999.

Calpine, Blackwood said, never informed neighbors of its planned changes.

"I think it's been kind of sneaky and underhanded of Calpine," she said.

Resident Allen Tatomer said the company's actions may weaken the community's support of the plant.

"They're really violating the spirit by which we really got behind this and supported them," Tatomer said."


CARE further contends that the public was unaware of the potential health effects associated with the Los Medanos project as originally proposed by Enron as reported by the press in *Neighbors oppose plant expansion*.

"Calpine says in its license request that the additional emissions pose no health risk to those living close to the plant.

But residents agreed that they should ask the Energy Commission to reject the company's proposed changes. All 26 people attending Monday's meeting, held on Blackwood's front lawn, signed a petition on the subject.

"We supported this power plant in the size and capacity in which it was approved, and feel that any more emissions of gasses, or particulate matter will be harmful to us regardless of what Calpine says," the petition states."

CARE concludes with the request that the Commission reject the proposed changes in the absence of a new Application for Certification. To do otherwise will demonstrate the Commission's intent to perpetrate discriminatory effects on known environmental justice populations.



Michael E. Boyd –CARE 7-14-00

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Attachment 1.

Published Saturday, July 1, 2000

Calpine asks for laxer smog limits Says change won't hurt public

By Glenn May

STAFF WRITER Contra Costa Times

PITTSBURG -- The builder of a power plant under construction off Third Street is asking the state for permission to increase the amounts of several types of pollutants the plant is allowed to produce.

The proposal also projects a sharp cut in the amount of one type of emission.

San Jose-based Calpine Corp. has filed a request with the California Energy Commission to amend its license for the 500-megawatt Los Medanos Energy Center power plant. Company officials said they are asking for the changes so they can increase the amount of power the plant can produce during periods of peak demand for electricity.

Calpine is asking to increase the amount of nitrogen dioxide it can produce annually by 23 tons, carbon monoxide by 18.9 tons and particulate matter by 12.6 tons. The proposal would also allow Calpine's plant to increase its emission of formaldehyde to 3,817 pounds annually from the 3,668 pounds currently permitted, and of benzene to a level of 460 pounds from current limits of 441 pounds.

The proposed change to the permit also calls for the plant to reduce by 63.5 tons its emission of precursor organic compounds, a series of gases which are smog-forming agents.

Currently, the plant is permitted to produce 97.6 tons of precursor organic compounds. Calpine says new data from the manufacturer of its turbines indicates they will produce smaller amounts of precursor organic compounds than previously predicted.

Calpine, which is also building the Delta Energy Center power plant in Pittsburg, says turbine manufacturer's figures for organic compound production at that plant were lower than the figures provided for the Los Medanos project. The company now seeks to use the Delta projections for Los Medanos.

The company contends the changes are not harmful.

"Public health impacts from the proposed changes do not pose any additional risk to public health," the amendment request states. "The proposed changes will not affect the public."

Calpine is seeking to add more powerful duct burners at the plant, devices which can be switched on when the demand for power is high and when atmospheric conditions hamper efficient generation.

Whether the burners increase electrical generation capacity is unclear.

The plant's licensed capacity is 508 megawatts. One megawatt, the equivalent of 1 million watts, is about enough to power 1,000 average California households. Los Medanos' capacity of 508 megawatts is thus enough to power 508,000 homes.

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But energy commission officials said they are unsure if Calpine's amendment request means an increase in output.

"We don't have enough information to determine that -- we are asking the same question of the applicant," said Guido Franco, an associate mechanical engineer with the energy commission.

Under energy commission rules, raising the output of the plant by more than 50 megawatts would require an in-depth review of the amendment request, perhaps even a new year-long certification process.

Los Medanos is scheduled to go on-line next summer.

Los Medanos Project Manager Mike Sommer described the proposed changes at the plant as being more complex than just an increase in net output.

He said the USS/POSCO steel plant in Pittsburg will take about 60 megawatts of Los Medanos power directly, leaving only about 440 to send to the statewide power grid. With the duct burners Calpine is seeking to add, Sommer said, "we can bring that up almost to 500 (megawatts)."

Energy commission officials are completing a study of the Calpine proposal to determine if that constitutes an increase in capacity, and whether additional public hearings are necessary on the proposal.

A staff analysis of the proposal is due by July 28, and any public input for that document must be sent to the commission by July 14.

Once a staff report and recommendation is complete, the full commission will rule on the amendment. Jeri Scott, compliance project manager for the commission, said the timing of a commission decision cannot be determined until the staff analysis is reviewed.

There are other issues in the proposed amendment.

Under state and regional environmental regulations, increases in the levels of some pollutants produced by industries must be offset by reductions in other compounds or at other plants. Companies can trade pollution "credits," essentially allowing them to create more air pollution in one area as long as they create less somewhere else.

Sommer said that when Calpine bought the Los Medanos plant from Enron last year, the deal included some extra credits that can now be used.

Calpine is asking permission to offset increases of some pollutants with decreases in the organic compound reduction stemming from the change in turbine manufacturer's specifications.

Calpine is also asking the state energy commission to consider granting permission to the Bay Area Air Quality Management District to reduce its level of monitoring of actual emissions in the future.

According to the amendment request, Calpine seeks permission "upon the request of the owner/operator" to waive certain emissions tests if the air quality district "determines that prior test results demonstrate an adequate margin of compliance."

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Sommer said the plant's construction is proceeding smoothly and it should be running by the target date next summer.

"We're looking forward to making power next summer and alleviating some of the shortages you're seeing in the Bay Area this summer," he said.

Staff writer Glenn May covers Pittsburg and Bay Point. He can be reached at 779-7170 or gmay1@cctimes.com.

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Attachment 2

Published Friday, July 7, 2000

Neighbors oppose plant expansion

Calpine wants to increase energy output at Pittsburg

By Glenn May
STAFF WRITER

PITTSBURG -- A group of residents living close to the Los Medanos power plant site are opposing plans by its builder to generate more pollution.

Twenty-six members of Central Addition Neighbors, a residents' group, decided Wednesday to ask the California Energy Commission to deny a request from Calpine Corp. to change the conditions of its operating license for the plant under construction near Third Street.

Calpine is seeking permission to raise the plant's output to make up for power it will sell directly to the USS/POSCO steel plant next door, as well as to enable the plant to overcome weather conditions that can limit production. The increase, which would be accomplished by adding extra burners at the natural-gas-fired plant, would result in substantial increases in the levels of several types of pollutants in its emissions.

The Central Addition residents said they thought they had a deal with the plant's original builder, Enron, when they supported the original plans.

Resident Cecilia Blackwood, who has served on the city's power plant advisory committee since the project began in 1998, said the flow of information has been cut off since Calpine bought the project from Enron in 1999.

Calpine, Blackwood said, never informed neighbors of its planned changes.

"I think it's been kind of sneaky and underhanded of Calpine," she said.

Resident Allen Tatomer said the company's actions may weaken the community's support of the plant.

"They're really violating the spirit by which we really got behind this and supported them," Tatomer said.

Calpine spokesman Bill Highlander said the company had no intention of keeping information from anyone. He said the energy commission will call for public comment after it completes an analysis of Calpine's request.

"The reason we didn't go out with anything now was because the process was to go to the Energy Commission and the air-quality district first," Highlander said.

Blackwood said at the residents' group meeting that Enron officials thoroughly explained their project to neighbors when they sought support for the plant in 1998. Blackwood became a community representative on the project, attending city and Energy Commission meetings on the subject.

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She said plans to build a neighborhood park as part of the project and other community benefits associated with it led her to support the plant.

"I sort of felt that our neighborhood needs a park," Blackwood said. "We're the oldest neighborhood in the city, and we're the only one without a park."

Tatomer said the project also includes a bypass road, which should reduce traffic in the Central Addition, and a sound wall on the east end of the neighborhood.

"What that means is we're going to have a quasi-gated community," he said.

Others seemed to regret not taking a stronger position on the plant to begin with.

"I was just a little bit apathetic because I knew no matter how much we complained, it was going to go in," said resident Lorraine Sanders.

As Blackwood read off the names of the pollutants the plant will emit, such as sulfur dioxide, nitrogen oxides and particulate matter, some residents wondered about the effects of the compounds.

"What does that do to our health?" asked Thomas Doherty.

Blackwood replied that there is a table in Calpine's licensing request outlining the risks, but said the data is difficult for a layperson to comprehend.

Calpine says in its license request that the additional emissions pose no health risk to those living close to the plant.

But residents agreed that they should ask the Energy Commission to reject the company's proposed changes. All 26 people attending Monday's meeting, held on Blackwood's front lawn, signed a petition on the subject.

"We supported this power plant in the size and capacity in which it was approved, and feel that any more emissions of gasses, or particulate matter will be harmful to us regardless of what Calpine says," the petition states.

Public input for an Energy Commission staff report on the proposed plant changes, a document which plays a strong role in determining if the agency will schedule public hearings, are due July 14.

Highlander said Calpine is willing to meet with residents.

"If the neighbors would like to have a meeting, we will have a meeting to address their concerns," he said.

Staff writer Glenn May covers Pittsburg and Bay Point. Reach him at 779-7170 or gmay1@cctimes.com.